



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT  
APPEALS AND INTERFERENCES

3/14/04  
A 11  
(32)

In Re Application of: )  
 )  
Tami L. Guy; )  
Jeffrey L. Briggs and )  
Anne L. Mason )  
 ) Group Art Unit: 3627  
 )  
Serial No. 09/965,405 )  
 ) Examiner: Richard E. Chilcot  
 )  
Filed: September 26, 2001 )  
 )  
For: METHOD OF ) Atty Dkt. 10013329-1  
DISTRIBUTING )  
 )

**APPEAL BRIEF**

MAIL STOP APPEAL BRIEF  
COMMISSIONER FOR PATENTS  
P.O. BOX 1450  
ALEXANDRIA, VA 22313-1450

**RECEIVED**  
MAY 12 2004  
**GROUP 3600**

Dear Sir:

This Appeal Brief is submitted in response to the final rejection of the claims mailed December 15, 2003. A Notice of Appeal was filed on March 10, 2004.

05/11/2004 AMONDAF1 00000043 082025 09965405  
01 FC:1402 330.00 DA

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**(1) REAL PARTY IN INTEREST**

The real party in interest in the above-referenced patent application is Hewlett-Packard Development Company, LP, a limited partnership established under the laws of the State of Texas and having a principal place of business at 20555 S.H. 249 Houston, TX 77070, U.S.A. (hereinafter "HPDC"). HPDC is a Texas limited partnership and is a wholly-owned affiliate of Hewlett-Packard Company, a Delaware Corporation, headquartered in Palo Alto, CA. The general or managing partner of HPDC is HPQ Holdings, LLC.

**(2) RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences currently known to appellants, appellants' legal representatives or the assignee, which will directly affect, or be directly affected by, or have a bearing on, the Board's decision.

**(3) STATUS OF CLAIMS**

Claims 1-23 were originally filed with the application. Claims 1-23 remain pending in the application at the time of appeal. Claims 1-23 stand rejected in the final Office action mailed

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

December 15, 2003. The rejection of claims 1-23 is appealed. A copy of the appealed claims appears in the appendix hereto.

#### **(4) STATUS OF AMENDMENTS**

No amendments were filed or entered subsequent to the final Office action mailed December 15, 2003.

#### **(5) SUMMARY OF THE INVENTION**

In general terms, methods of doing business are disclosed and claimed. Appellants' invention as claimed is summarized and explained below with reference characters, specification page numbers and drawing figure numbers indicating where the claim finds support in the specification and drawings.

1. A method for a first organization (O1) to do business comprising:

entering into a contractual relationship with a second organization (O2); [Fig. 3; page 15, lines 22-25]

authorizing said second organization (O2) to take an order from a customer, said order comprising at least one of: [Figs. 5-6; page 17, line 14 - page 20, line 25]

products not produced by said first organization (O1),  
and services not provided by said first organization (O1);  
[Figs. 7-8; page 20, line 26 - page 25, line 19]

receiving payment directly from said customer as a payment  
for said order taken by said second organization (O2); [Fig. 9;  
page 25, line 21 - page 27, line 24]

requiring an organization other than said first organization  
(O1) to ship products not produced by said first organization (O1)  
to said customer; [Fig. 7; page 21, line 2 - page 23, line 25]

requiring an organization other than said first organization  
(O1) to provide services to said customer. [Fig. 8; page 23, line 27  
- page 25, line 19]

2. The method of claim 1 and further comprising:

requiring said second organization (O2) to provide a second  
organization (O2) service to a customer. [Fig. 8; page 23, line 27 -  
page 25, line 19]

3. The method of claim 1 and further comprising:

requiring a third organization (O3) to provide a third  
organization (O3) service to said customer. [Fig. 8; page 23, line  
27 - page 25, line 19]

4. The method of claim 1 and further comprising:

requiring a third organization (O3) to ship a third organization (O3) product to said customer. [Fig. 7; page 21, line 2 - page 23, line 25]

5. The method of claim 4 wherein said requiring a third organization (O3) to ship comprises requiring said third organization (O3) to ship said third organization (O3) product from a facility not controlled by said first organization (O1). [Fig. 7; page 21, line 2 - page 23, line 25]

6. The method of claim 4 and further comprising: verifying that said third organization (O3) product was received by said customer. [Fig. 7; page 21, line 2 - page 23, line 25]

7. The method of claim 3 and further comprising: verifying that said third organization (O3) service was performed by said third organization (O3). [Fig. 8; page 23, line 27 - page 25, line 19]

8. The method of claim 1 and further comprising: tracking receipt of said payment by computer.

9. The method of claim 1 and further comprising:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

paying said second organization (O2) a predetermined amount based on said order. [Fig. 12; page 33, line 9 - page 34, line 7]

10. The method of claim 9 and further comprising:  
tracking said paying said second organization (O2) by  
computer.

11. The method of claim 4 and further comprising:  
paying said third organization (O3) for said third organization  
(O3) product. [Fig. 11; page 32, lines 13-25]

12. The method of claim 11 and further comprising:  
tracking said paying said third organization (O3) by  
computer.

13. A method for a first organization (O1) to do business  
comprising:

requiring a second organization (O2) to take an order for  
sales items on behalf of the first organization (O1); [Figs. 5-6;  
page 17, line 14 - page 20, line 25]

in response to a determination that the order includes a  
product distributed by a third organization (O3) sending an order

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

for that product to the third organization (O3); [Fig. 7; page 21, line 2 - page 23, line 25]

requiring the third organization (O3) to ship the product directly to a customer's address. [Fig. 7; page 21, line 2 - page 23, line 25]

14. The method of claim 13 further comprising:  
requiring the third organization (O3) to notify the second organization (O2) when the product has been shipped. [Fig. 7; page 21, line 2 - page 23, line 25]

15. The method of claim 14 further comprising:  
invoicing the customer after the third organization (O3) notifies the second organization (O2) that the product has been shipped. [Fig. 9; page 25, line 20 - page 27, line 24]

16. The method of claim 14 wherein the product shipped by the third organization (O3) is less than all items distributed by the third organization (O3) that were on the order and further comprising: [Fig. 7; page 21, line 1 - page 23, line 25]

requiring the third organization (O3) to notify the second organization (O2) when the order is incomplete and when the backlog for items on the order that were not shipped is longer than

a predetermined number of days. [Fig. 7; page 21, line 1 - page 23, line 25]

17. The method of claim 13 further comprising:  
requiring the second organization (O2) to notify the first organization (O1) when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days. [Fig. 7; page 21, line 1 - page 23, line 25]

18. A method for a first organization (O1) to do business comprising:

requiring a second organization (O2) to take an order for sales items on behalf of the first organization (O1); [Fig. 7; page 21, line 2 - page 23, line 25]

in response to a determination that the order includes a product distributed by a third organization (O3) sending an order for that product to the third organization (O3); [Fig. 7; page 21, line 2 - page 23, line 25]

requiring the third organization (O3) to notify the first organization (O1) when the order exceeds a predetermined credit limit of the second organization (O2). [Fig. 5; page 17, line 13 - page 19, line 1]



19. A method for a first organization (O1) to do business comprising:

in response to a determination that services in a service order taken by a second organization (O2) on behalf of the first organization (O1) is incomplete determining whether the service order includes support services; and [Fig. 8; page 23, line 26 - page 25, line 20]

determining a billing strategy based upon whether or not the service order includes support services. [Fig. 8; page 23, line 26 - page 25, line 20]

20. The method of claim 19 and further comprising:

in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time; and [Fig. 8; page 23, line 26 - page 25, line 20]

determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time. [Fig. 8; page 23, line 26 - page 25, line 20]

21. The method of claim 20 wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

whether the services ordered are essential to the use of hardware included on the order. [Fig. 8; page 23, line 26 - page 25, line 20]

22. The method of claim 21 wherein it is determined that the services ordered are essential to the use of hardware included on the order and further comprising waiting for completion of the service before invoicing either the service or hardware portion of the order. [Fig. 8; page 23, line 26 - page 25, line 20]

23. The method of claim 21 wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered. [Fig. 8; page 23, line 26 - page 25, line 20]

**(6) ISSUES**

- A. Whether claims 1-12 are unpatentable under 35 U.S.C. §103(a) over Webber, Jr. (U.S. 6,167,378).
- B. Whether claims 13-17 are unpatentable under 35 U.S.C. §103(a) over Webber, Jr. (U.S. 6,167,378).
- C. Whether claim 18 is unpatentable under 35 U.S.C. §103(a) over Webber, Jr. (U.S. 6,167,378).
- D. Whether claims 19-23 are unpatentable under 35 U.S.C. §103(a) over Webber, Jr. (U.S. 6,167,378).

**(7) GROUPING OF CLAIMS**

Dependent claims 8-10 stand or fall with independent claim 1. None of the other claims stand or fall together. Explanation for the separate patentability of the claims that do not stand or fall together is provided in the Argument section of this brief as required by 37 CFR §1.192(c)(7).

## **(8) ARGUMENT**

### **Relevant Law**

#### **Legal Basis for Obviousness under 35 U.S.C. §103**

The test for obviousness under 35 U.S.C. 103 is whether the claimed invention would have been obvious to those skilled in the art in light of the knowledge made available by the reference or references. *In re Donovan*, 184 USPQ 414, 420, n. 3 (CCPA 1975). It requires consideration of the entirety of the disclosures of the references. *In re Rinehart*, 189 USPQ 143, 146 (CCPA 1976). All limitations of the Claims must be considered. *In re Boe*, 184 USPQ 38, 40 (CCPA 1974). In making a determination as to obviousness, the references must be read without benefit of applicants' teachings. *In re Meng*, 181 USPQ 94, 97 (CCPA 1974). In addition, the propriety of a Section 103 rejection is to be determined by whether the reference teachings appear to be sufficient for one of ordinary skill in the relevant art having the references before him to make the proposed substitution, combination, or other modifications. *In re Lintner*, 173 USPQ 560, 562 (CCPA 1972).

In the case of *In re Wright*, 6 USPQ 2d 1959 (CAFC 1988), the CAFC decided that the Patent Office had improperly combined references which did not suggest the properties and results of the

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

applicants' invention nor suggest the claimed combination as a solution to the problem which applicants' invention solved.

The CCPA reached this conclusion after an analysis of the prior case law, at p. 1961:

We repeat the mandate of 35 U.S.C. 103: it is the invention as a whole that must be considered in obviousness determinations. The invention as a whole embraces the structure, its properties, and the problem it solves. See, e.g., *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1025, 226 USPQ 881, 886 (Fed. Cir. 1985) ("In evaluating obviousness, the hypothetical person of ordinary skill in the pertinent art is presumed to have the 'ability to select and utilize knowledge from other arts reasonably pertinent to [the] particular problem' to which the invention is directed"), quoting *In re Antle*, 444 F.2d 1168, 1171-72, 170 USPQ 285, 287-88 (CCPA 1971); *In re Antonie*, 559 F.2d 618, 619, 195 USPQ 6, 8 (CCPA 1977) ("In delineating the invention as a whole, we look not only in the claim in question... but also to those properties of the subject matter which are inherent in the subject matter and are disclosed in the specification") (emphasis in original).

The determination of whether a novel structure is or is not "obvious" requires cognizance of the properties of that structure and the problem which it solves, viewed in light of the teachings of the prior art. See, e.g., *In re Rinehart*, 531 F.2d 1048, 1054, 189 USPQ 143, 149 (CCPA 1976) (the particular problem facing the inventor must be considered in determining obviousness); see also *Lindemann Maschinenfabrik GmbH v. American Hoist and Derrick Co.*, 730 F.2d 1452, 1462, 221 USPQ 481, 488 (Fed. Cir. 1984) (it is error to focus "solely on the product created, rather

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

than on the obviousness or notoriousness of its creation") (quoting *General Motors Corp. v. U.S. Int'l Trade Comm'n*, 687 F.2d 476, 483, 215 USPQ 484, 489 (CCPA 1982), cert. denied, 459 U.S. 1105 (1983)).

Thus the question is whether what the inventor did would have been obvious to one of ordinary skill in the art attempting to solve the problem upon which the inventor was working. *Rinehart*, 531 F.2d at 1054, 189 USPQ at 149; see also *In re Benno*, 768 F.2d 1340, 1345, 226 USPQ 683, 687 (Fed. Cir. 1985) ("appellant's problem" and the prior art present different problems requiring different solutions").

A basic mandate inherent in Section 103 is that a piecemeal reconstruction of prior art patents shall not be the basis for a holding of obviousness. It is impermissible within the framework of Section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art. *In re Kamm*, 172 USPQ 298, 301-302 (CCPA 1972). Phrased somewhat differently, the fact that inventions of the references and of applicants may be directed to concepts for solving the same problem does not serve as a basis for arbitrarily choosing elements from references to attempt to fashion applicants' claimed invention. *In re Donovan*, 184 USPQ 414, 420 (CCPA 1975).

It is also clearly established in the case law that a change in the mode of operation of a device which renders that device inoperative for its stated utility as set forth in the cited reference renders the reference improper for use to support an obviousness-type rejection predicated on such a change. See, e.g., *Diamond International Corp. v. Walterhoefer*, 289 F.Supp. 550, 159 USPQ 452, 460-61 (D.Md. 1968); *Ex parte Weber*, 154 USPQ 491, 492 (Bd.App. 1967). In addition, any attempt to combine the teaching of one reference with that of another in such a manner as to render the invention of the first reference inoperative is not

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

permissible. See, e.g., *Ex parte Hartmann*, 186 USPQ 366 (Bd.App. 1974); and *Ex parte Sternau*, 155 USPQ 733 (Bd.App. 1967).

A reference which teaches away from the applicants' invention may not properly be used in framing a 35 U.S.C. 103 rejection of applicants' claims. See *United States v. Adams*, 148 USPQ 429 (Sup. Ct. 1966).

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**Argument re Issue A**

Claims 1-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Webber, Jr. (U.S. 6,167,378)

It is submitted, for the reasons advanced below, that claims 1-12 are not unpatentable over Webber, Jr.

Appellants' claim 1 recites the following:

A method for a first organization to do business comprising:

entering into a contractual relationship with a second organization;

**authorizing said second organization to take an order from a customer**, said order comprising at least one of:

products not produced by said first organization,  
and services not provided by said first organization;  
receiving payment directly from said customer as a payment for said order taken by said second organization;  
requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

requiring an organization other than said first organization to provide services to said customer.



Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

The Examiner states the following in paragraph 2 of the Final Office action:

With regard to claim 1, Webber discloses a method for a first organization (direct marketer in example, col. 12 line 43+) to do business that includes entering into a contractual relationship with a second organization (winery), authorizing the second organization to take an order from a customer, wherein the order is for products or services not produced by the first organization ....

The Examiner, thus, takes the position that appellants' recited "first organization" and "second organization" read on the direct marketer and the winery, respectively, discussed in the Webber, Jr. example.

Appellants' claim 1, however, recites, for example, the following:

**authorizing said second organization to take an order from a customer**

In the Webber, Jr. example, the winery does not take orders from customers. Instead, orders are taken by the direct marketer. The relevant portion of Webber, Jr. reads as follows:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

### EXAMPLE

Assume for the purpose of illustration the conventional business of selling wine directly to customers, that is, direct marketing. The winery or its broker contracts with the direct marketer to sell the winery's wine. **The final retail customer buys the wine from the direct marketer** and the wine is to be shipped directly to the customer. **The direct marketer collects payment from the customer** by credit card. The direct marketer negotiates the credit card payment with its bank and deposits the funds in its bank account. The seller transmits sale data to system.

(Webber, Jr., col. 12, lines 42-52, emphasis added)

Accordingly, in Webber, Jr., orders are taken by the direct marketer. Thus, the second organization (the winery in the Webber, Jr. example) is not authorized "to take an order from a customer" as recited in appellants' claim 1.

For at least the reasons above, Webber, Jr. fails to meet all of the limitations of claim 1. Appellants, thus, respectfully assert that a *prima facie* case of obviousness has not been established.

In paragraph 4 of the final Office action, the Examiner responds to the above arguments as follows:

Applicant's arguments filed November 7, 2003 have been fully considered but they are not persuasive. Applicant argues that the Webber reference does not disclose

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

“authorizing said second organization to take an order from a customer,” however, the examiner disagrees and stands by the rejection. According to the system of Webber, the first organization (marketer) receives orders from customers and authorizes the second organization (winery) to fulfill the orders (col. 13, line 4+).

The Examiner, thus, takes the position that appellants’ claim limitations are met because Webber discloses that the second organization is authorized to *fulfill* orders. As noted above, however, appellants’ claim 1 recites the following limitation:

**authorizing said second organization to take an order from a customer**

Claim 1, thus, requires authorizing the second organization to *take an order*. Taking an order is clearly different from *fulfilling an order*. Accordingly, even assuming, arguendo, that Webber makes the disclosure asserted by the Examiner (i.e., that the second organization is authorized to fulfill orders), the above claim 1 limitation is not met.

The Examiner further states the following in paragraph 4 of the final Office action:

Furthermore, it would be obvious to one skilled in the art that customers could place orders directly with the producer

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

(winery) and bypass the marketer to save money and time as this is well-known in the field.

The Examiner, thus, apparently takes the position that, even if Webber does not disclose all of appellants' claim limitations, claim 1 would, nevertheless, be obvious. Appellants respectfully assert, however, that the limitations of claim 1 are not within the knowledge of a person of ordinary skill in the art and the Examiner has submitted no evidence to the contrary. Accordingly, there is absolutely nothing in the file history of this prosecution to support the Examiner's position. There must be something in the teachings of cited references to suggest to an individual skilled in the art that a claimed invention would be obvious. *W. L. Gore and Associates v. Garlock, Inc.*, 220 USPQ 303, 311 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). "There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the applicant's disclosure." *In re Dow Chemical Co.*, 5 USPQ2d 1529, 1532 (Fed. Cir. 1988).

The Court of Appeals for the Federal Circuit has also addressed this issue in at least one more recent case. *See, In re Zurko*, 59 USPQ 2d 1693 (Fed. Cir. 2001) where, for example, the following is stated:

... the deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is "basic knowledge" or "common sense" to one of ordinary skill

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

in the art.... This assessment of basic knowledge and common sense was not based on any evidence in the record and, therefore, lacks substantial evidence support.... With respect to core factual findings in a determination of patentability ... the Board cannot simply reach conclusions based on its own understanding or experience - or in its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.

*Id.*, at 1697

Thus, it is not proper for an examiner to assert that certain claim limitations are “well-known” and, therefore, obvious, without providing evidentiary support in the record.

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established and that, accordingly, claim 1 should be allowed.

Claims 2-13 are allowable at least as depending from allowable base claim 1.

Claims 2-5 are allowable on further independent grounds in that neither Webber, Jr. nor any of the other references of record, considered either alone or in proper combination, disclose or suggest the limitations thereof. The Examiner takes the following position with respect to these claims on page 2 of the final Office action:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

With regard to claims 2-5, it would be obvious to one skilled in the art that any number of organizations could provide services or ship products to the customers (col. 12, line 53+).

The Examiner, thus, admits that the limitations of claims 2-5 are not met by Webber, Jr. but takes the position, nevertheless, that these claims are unpatentable over Webber, Jr. Appellants respectfully assert that the limitations of claims 2-5 are not within the knowledge of a person of ordinary skill in the art and the Examiner has submitted no evidence to the contrary. Accordingly, there is absolutely nothing in the file history of this prosecution to support the Examiner's position. There must be something in the teachings of cited references to suggest to an individual skilled in the art that a claimed invention would be obvious. *W. L. Gore and Associates v. Garlock, Inc.*, 220 USPQ 303, 311 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). "There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the applicant's disclosure." *In re Dow Chemical Co.*, 5 USPQ2d 1529, 1532 (Fed. Cir. 1988).

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claims 2-5 and that, accordingly, these claims should be allowed.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

Claims 6 and 7 are allowable on further independent grounds in that neither Webber, Jr. nor any of the other references of record, considered either alone or in proper combination, disclose or suggest the limitations of claims 3 or 4 and further comprising:

verifying that said third organization product was received by said customer.

(claim 6)

or

verifying that said third organization service was performed by said third organization.

(claim 7)

The Examiner states the following on page 2 of the Final Office action:

With regard to claims 6 and 7, receipt of services/products by the customer is verified (col. 11 line 1+).

The portion of Webber, Jr. referred to by the Examiner is reproduced as follows:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

by a shipper to a customer, shippers optionally log the customer signature, and transmit notice to the CAP that the delivery has been made. This triggering POD event according to the system replaces paper receivers which are used in conventional accounting. The CAP collects the conventional shipper's POD data, recognizes it as an event, and advantageously stores that data with the product/transaction identifier (optionally encrypted) for future use. At a time specified, with any stored POD, the POD event triggers the activation of transactional calculations for the goods that have been delivered. One advantage of using POD as a triggering event is that it permits computational activity to be initiated without the need for human or mechanical intervention.

(Webber, Jr. Col. 11, lines 1-14)

Although this portion of Webber, Jr. generally discusses providing notice that a delivery has been made, there is no disclosure or suggestion, whatsoever of verifying that a *third organization* product was received or service performed as recited in appellants' claims 6 and 7.

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claims 6 and 7 and that, accordingly, these claims should be allowed.

Claims 11 and 12 are allowable on further independent grounds in that neither Webber, Jr. nor any of the other references



Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

of record, considered either alone or in proper combination,  
disclose or suggest the limitations of claim 4 and further  
comprising:

paying said third organization for said third  
organization product.  
(claim 11)

or

tracking said paying said third organization by computer.  
(claim 12)

The Examiner states the following on pages 2-3 of the Final  
Office action:

With regard to claims 8-12, the payment is a predetermined  
amount based on the order (col. 11 line 15+) and the  
payment is tracked using a computer (col. 11 line 42+)

The portions of Webber, Jr. referred to by the Examiner  
above are reproduced as follows:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

Upon receipt of the POD transmission, the digital automated system initiates financial calculations for the contract that governs the particular transaction (determined by the product/transaction identifier). The digital automated system automatically calculates the payable due to and from each party to the particular transaction according to well-known accounting principles and practices. The calculated payable may optionally be automatically audited by a commercially available auditing program to verify the accuracy of the payable.

(Webber, Jr. col. 11, lines 15-24)

obligations.

Additionally, automatic payment to the parties by EFT can occur at the time and on terms specified by the contract. For example, EFT can be scheduled to occur on the 15th of each month. The contract includes instructions about the terms and methods by which the final cash settlement is made. When transactions are deemed approved and complete, the computing module automatically compiles data and transmits EFT instructions to institutions which provide EFT services. EFT saves the cost of payables functions, check writing and handling by all parties. The amount to be transferred between financial institutions of the contracting parties is automatically determined by compiling totals for the completed (delivered and received) transactions of the respective parties. EFT services are conventionally provided by several companies. The conventional EFT functions could be incorporated into the system. Note that the contract may include a bank identifier, to be used in the EFT instructions.

(Webber, Jr. col. 11, lines 42-60)

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

The portions of Webber, Jr. reproduced above do not disclose or suggest paying a third organization for third organization product or tracking paying a third organization by computer as recited in appellants' claims 11 and 12.

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claims 11 and 12 and that, accordingly, these claims should be allowed.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**Argument re Issue B**

Claims 13-17 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Webber, Jr. (U.S. 6,167,378)

It is submitted, for the reasons advanced below, that claims 13-17 are not unpatentable over Webber, Jr.

Appellants' claim 13 recites the following:

A method for a first organization to do business comprising:

**requiring a second organization to take an order for sales items** on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to ship the product directly to a customer's address.

The Examiner states the following on page 3 of the final Office action:

With regard to claims 13, 18 and 19, Webber discloses a method for a first organization (direct marketer in example, col. 12 line 43+) to do business that includes requiring a

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

second organization (winery) to take an order from a customer on behalf of the first organization and requiring a third organization (wine shipper) that distributes the item to the customer (col. 12 line 57) [sic]. With respect to any disputes or problems (exceeding credit limits, etc.), the first organization is contacted (col. 12 line 5+) and an appropriate billing strategy is determined the each order [sic] (col. 11 line 15+).

The Examiner, thus, takes the position that appellants' recited "first organization" and "second organization" read on the direct marketer and the winery, respectively, discussed in the Webber, Jr. example.

Appellants' claim 13, however, recites, for example, the following:

**requiring a second organization to take an order  
for sales items** on behalf of the first organization;

In the Webber, Jr. example, the winery does not take orders from customers. Instead, orders are taken by the direct marketer. The relevant portion of Webber, Jr. reads as follows:

#### EXAMPLE

Assume for the purpose of illustration the conventional business of selling wine directly to customers, that is, direct marketing. The winery or its broker contracts with the direct marketer to sell the winery's wine. **The final retail customer**

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**buys the wine from the direct marketer** and the wine is to be shipped directly to the customer. **The direct marketer collects payment from the customer** by credit card. The direct marketer negotiates the credit card payment with its bank and deposits the funds in its bank account. The seller transmits sale data to system.

(Webber, Jr., col. 12, lines 42-52, emphasis added)

Accordingly, in Webber, Jr., orders are taken by the direct marketer. Thus, the second organization (the winery in the Webber, Jr. example) is not authorized "to take an order from a customer" as recited in claim 1.

For at least the reasons above, Webber, Jr. fails to meet all of the limitations of claim 13. Appellants, thus, respectfully assert that the Examiner's rejection of claim 13 is improper.

In paragraph 4 of the final Office action, the Examiner responds to the above arguments as follows:

Applicant's arguments filed November 7, 2003 have been fully considered but they are not persuasive. Applicant argues that the Webber reference does not disclose "authorizing said second organization to take an order from a customer," however, the examiner disagrees and stands by the rejection. According to the system of Webber, the first organization (marketer) receives orders from customers and authorizes the second organization (winery) to fulfill the orders (col. 13, line 4+).

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

The Examiner, thus, takes the position that appellants' claim limitations are met because Webber discloses that the second organization is authorized to *fulfill* orders. As noted above, however, appellants' claim 13 recites the following limitation:

**requiring a second organization to take an order  
for sales items** on behalf of the first organization;

Claim 1, thus, recites requiring the second organization to *take an order*. Taking an order is clearly different from *fulfilling an order*. Accordingly, even assuming, arguendo, that Webber makes the disclosure asserted by the Examiner (i.e., that the second organization is authorized to fulfill orders), the above claim 13 limitation is not met.

The Examiner further states the following in paragraph 4 of the final Office action:

Furthermore, it would be obvious to one skilled in the art that customers could place orders directly with the producer (winery) and bypass the marketer to save money and time as this is well-known in the field.

The Examiner, thus, apparently takes the position that, even if Webber does not disclose all of appellants' claim limitations,

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

claim 13 would, nevertheless, be obvious. Appellants respectfully assert, however, that the limitations of claim 13 are not within the knowledge of a person of ordinary skill in the art and the Examiner has submitted no evidence to the contrary. Accordingly, there is absolutely nothing in the file history of this prosecution to support the Examiner's position. There must be something in the teachings of cited references to suggest to an individual skilled in the art that a claimed invention would be obvious. *W. L. Gore and Associates v. Garlock, Inc.*, 220 USPQ 303, 311 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). "There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the applicant's disclosure." *In re Dow Chemical Co.*, 5 USPQ2d 1529, 1532 (Fed. Cir. 1988).

The Court of Appeals for the Federal Circuit has also addressed this issue in at least one more recent case. *See, In re Zurko*, 59 USPQ 2d 1693 (Fed. Cir. 2001) where, for example, the following is stated:

... the deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is "basic knowledge" or "common sense" to one of ordinary skill in the art.... This assessment of basic knowledge and common sense was not based on any evidence in the record and, therefore, lacks substantial evidence support.... With respect to core factual findings in a determination of patentability ... the Board cannot simply reach conclusions based on its own understanding or experience - or in its



Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.

*Id.*, at 1697

Thus, it is not proper for an examiner to assert that certain claim limitations are “well-known” and, therefore, obvious, without providing evidentiary support in the record.

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established and that, accordingly, claim 13 should be allowed.

Claims 14-17 are allowable at least as depending from allowable base claim 13.

Claims 14-17 are allowable on further independent grounds in that neither Webber, Jr. nor any of the other references of record, considered either alone or in proper combination, disclose or suggest the limitations thereof. The Examiner takes the following position with respect to these claims on page 3 of the final Office action:

With regard to the dependent claims, it would be obvious to one skilled in the art that any number of organizations could ship products to the customer (col. 12 line 53+), that notifications regarding shipments containing a variety of information could be sent to various parties (col. 10 line 53+, col. 11 line 1+, common practice), and that any problems

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

arising due to late or incomplete orders could be resolved in a conventional manner (col. 12 line 5+).

The Examiner, thus, admits that the limitations of dependent claims 14-17 are not met by Webber, Jr. but takes the position, nevertheless, that these claims are unpatentable over Webber, Jr. Appellants respectfully assert that the limitations of claims 14-17 are not within the knowledge of a person of ordinary skill in the art and the Examiner has submitted no evidence to the contrary. Accordingly, there is absolutely nothing in the file history of this prosecution to support the Examiner's position. There must be something in the teachings of cited references to suggest to an individual skilled in the art that a claimed invention would be obvious. *W. L. Gore and Associates v. Garlock, Inc.*, 220 USPQ 303, 311 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). "There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the applicant's disclosure." *In re Dow Chemical Co.*, 5 USPQ2d 1529, 1532 (Fed. Cir. 1988).

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claims 14-17 and that, accordingly, these claims should be allowed.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**Argument re Issue C**

Claim 18 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Webber, Jr. (U.S. 6,167,378)

It is submitted, for the reasons advanced below, that claim 18 is not unpatentable over Webber, Jr.

Appellants' claim 18 recites the following:

A method for a first organization to do business comprising:

**requiring a second organization to take an order for sales items** on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

**requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.**

Claim 18, thus, recites “**requiring a second organization to take an order for sales items**”. Accordingly, claim 18 is allowable for at least the reasons advanced above with respect to claim 1.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

Claim 18 further recites the following:

**requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.**

The examiner states the following on page 3 of the Final Office action regarding the Webber, Jr. reference with respect to the above limitation:

In the event of any disputes or problems (exceeded credit limits, etc.), the first organization is contacted (col. 12, line 5+)....

The portion of Webber, Jr. referenced by the Examiner is reproduced below:

In the event that there is a dispute regarding the shipment, a receivable good, deliverable service, or payable, a deviation protocol is provided to record that there is a dispute. In this situation, the calculated payable are flagged as being in dispute. Transfer of funds is advantageously delayed until the parties reconcile the dispute, at which time the dispute flag is cleared.

(Webber, Jr. col. 12, lines 5-11)

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

Although this portion of Webber, Jr. discusses disputes regarding shipment, a receivable good, deliverable service or payable, it clearly does not discuss exceeding a **predetermined credit limit as asserted by the Examiner** and as recited in appellants' claim.

For at least the reasons advanced above, appellants assert that a *prima facie* case of obviousness has not been established with respect to claim 18.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**Argument re Issue D**

Claims 19-23 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Webber, Jr. (U.S. 6,167,378)

It is submitted, for the reasons advanced below, that claims 19-23 are not unpatentable over Webber, Jr.

Appellants' claim 19, recites the following:

A method for a first organization to do business comprising:

in response to a determination that services in a **service order taken by a second organization** on behalf of the first organization is incomplete determining whether the service order includes support services; and  
**determining a billing strategy based upon whether or not the service order includes support services.**

Claim 19, thus, recites "**a service order taken by a second organization**". Accordingly, claim 19 is allowable for at least the reasons advanced above with respect to claim 1.

Claim 19 further recites the following:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

**determining a billing strategy based upon whether  
or not the service order includes support services.**

The examiner states the following on page 3 of the Final Office action regarding the Webber, Jr. reference with respect to the above limitation:

In the event of any disputes or problems (exceeded credit limits, etc.), the first organization is contacted (col. 12, line 5+) and an appropriate billing strategy is determined the each order [sic] (col. 11, line 15+).

The portion of Webber, Jr. referenced by the Examiner is reproduced below:

Upon receipt of the POD transmission, the digital automated system initiates financial calculations for the contract that governs the particular transaction (determined by the product/transaction identifier). The digital automated system automatically calculates the payable due to and from each party to the particular transaction according to well-known accounting principles and practices. The calculated payable may optionally be automatically audited by a commercially available auditing program to verify the accuracy of the payable.

(Webber, Jr. col. 11, lines 15-24)

This portion of Webber, Jr. clearly does not discuss whether or not a service order includes support services and, thus, fails to

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

disclose or suggest **“determining a billing strategy based upon whether or not the service order includes support services”** as recited in appellants’ claim 19.

For at least the reasons advanced above, appellants assert that a *prima facie* case of obviousness has not been established with respect to claim 19.

Claims 20-23 are allowable at least as depending from allowable base claim 19.

Claims 20-23 are allowable on further independent grounds in that neither Webber, Jr. nor any of the other references of record, considered either alone or in proper combination, disclose or suggest the limitations thereof. The Examiner takes the following position with respect to these claims on page 3 of the final Office action:

With regard to the dependent claims, it would be obvious to one skilled in the art that any number of organizations could ship products to the customer (col. 12 line 53+), that notifications regarding shipments containing a variety of information could be sent to various parties (col. 10 line 53+, col. 11 line 1+, common practice), and that any problems arising due to late or incomplete orders could be resolved in a conventional manner (col. 12 line 5+).



Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

The Examiner, thus, admits that the limitations of dependent claims 20-23 are not met by Webber, Jr. but takes the position, nevertheless, that these claims are unpatentable over Webber, Jr. Appellants respectfully assert that the limitations of claims 20-23 are not within the knowledge of a person of ordinary skill in the art and the Examiner has submitted no evidence to the contrary. Accordingly, there is absolutely nothing in the file history of this prosecution to support the Examiner's position. There must be something in the teachings of cited references to suggest to an individual skilled in the art that a claimed invention would be obvious. *W. L. Gore and Associates v. Garlock, Inc.*, 220 USPQ 303, 311 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). "There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the applicant's disclosure." *In re Dow Chemical Co.*, 5 USPQ2d 1529, 1532 (Fed. Cir. 1988).

For the reasons set forth above, appellants respectfully assert that a *prima facie* case of obviousness has not been established with respect to claims 20-23 and that, accordingly, these claims are allowable.

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

Accordingly, all of the claims are believed to be allowable  
and all of the rejections should be reversed.

Respectfully submitted,  
KLAAS, LAW, O'MEARA & MALKIN, P.C.

By



Michael A. Goodwin  
Registration No. 32,697  
1999 Broadway, STE 2225  
Denver, CO 80202  
(303) 298-9888

*May 6, 2004*

**(9) APPENDIX**  
Appealed Claims

1. A method for a first organization to do business comprising:
  - entering into a contractual relationship with a second organization;
  - authorizing said second organization to take an order from a customer, said order comprising at least one of:
    - products not produced by said first organization, and
    - services not provided by said first organization;
  - receiving payment directly from said customer as a payment for said order taken by said second organization;
  - requiring an organization other than said first organization to ship products not produced by said first organization to said customer;
  - requiring an organization other than said first organization to provide services to said customer.
2. The method of claim 1 and further comprising:
  - requiring said second organization to provide a second organization service to a customer.
3. The method of claim 1 and further comprising:

requiring a third organization to provide a third organization service to said customer.

4. The method of claim 1 and further comprising:  
requiring a third organization to ship a third organization product to said customer.

5. The method of claim 4 wherein said requiring a third organization to ship comprises requiring said third organization to ship said third organization product from a facility not controlled by said first organization.

6. The method of claim 4 and further comprising:  
verifying that said third organization product was received by said customer.

7. The method of claim 3 and further comprising:  
verifying that said third organization service was performed by said third organization.

8. The method of claim 1 and further comprising:  
tracking receipt of said payment by computer.

9. The method of claim 1 and further comprising:

paying said second organization a predetermined amount based on said order.

10. The method of claim 9 and further comprising:  
tracking said paying said second organization by computer.

11. The method of claim 4 and further comprising:  
paying said third organization for said third organization product.

12. The method of claim 11 and further comprising:  
tracking said paying said third organization by computer.

13. A method for a first organization to do business comprising:  
requiring a second organization to take an order for sales items on behalf of the first organization;  
in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;  
requiring the third organization to ship the product directly to a customer's address.

14. The method of claim 13 further comprising:

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

requiring the third organization to notify the second organization when the product has been shipped.

15. The method of claim 14 further comprising:  
invoicing the customer after the third organization notifies the second organization that the product has been shipped.

16. The method of claim 14 wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order and further comprising:  
requiring the third organization to notify the second organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

17. The method of claim 13 further comprising:  
requiring the second organization to notify the first organization when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

18. A method for a first organization to do business comprising:

requiring a second organization to take an order for sales items on behalf of the first organization;

in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;

requiring the third organization to notify the first organization when the order exceeds a predetermined credit limit of the second organization.

19. A method for a first organization to do business comprising:

in response to a determination that services in a service order taken by a second organization on behalf of the first organization is incomplete determining whether the service order includes support services; and

determining a billing strategy based upon whether or not the service order includes support services.

20. The method of claim 19 and further comprising:

in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time; and

Serial No. 09/965,405  
Art Unit 3627  
Atty Dkt. 10013329-1

determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time.

21. The method of claim 20 wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further comprising determining whether the services ordered are essential to the use of hardware included on the order.

22. The method of claim 21 wherein it is determined that the services ordered are essential to the use of hardware included on the order and further comprising waiting for completion of the service before invoicing either the service or hardware portion of the order.

23. The method of claim 21 wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered.